

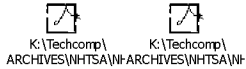
Regulatory Activity/Legal

No new information on the following NHTSA Investigation (08/17/07):

- 2004 through 2006 MY Sienna Rear Hatch Strut (*Engineering Analysis*)

2007 MY ES 350 All Weather Floor Mat (Engineering Analysis)

- Based upon the information provided by Lexus during the Preliminary Evaluation, additional consumer complaints received by NHTSA and to further investigate the allegations, NHTSA has decided to move the investigation to the Engineering Analysis stage.
- NHTSA has officially upgraded the ES 350 All Weather Floor Mat investigation to an Engineering Analysis.
- The Engineering Analysis Opening Resume was posted on the NHTSA website prior to Monday August 13th.
- There were 93 news articles on the ES 350 Engineering Analysis upgrade this week (see sample below).
- Lexus sent a copy of the updated Q&A (approved by both TMC and TMS Legal) to the Area Offices and all Lexus dealers via a Dealer Daily posting on 08/16/07.



NHTSA New Car Assessment Program (NCAP)

- Compliance has input the NCAP ratings into the new system for all 2007 and 2008 model year vehicles and will check sample 2007 model year Monroney labels early next week (week of 08/20/07).
- The 2008 model year NCAP ratings have already been checked. Next week the final inspection of both the NCAP and revised EPA Fuel Economy data will be performed.
- Both the NCAP and revised EPA Fuel Economy labels go into production at TLS facilities the weekend of August 24th (08/17/07).

Special Service Campaign/Limited Service Campaign/Customer Support Programs

SSC (Safety Recall) 50N – Re-notification

- A renotification for SSC 50N (1989 – 1996 MY 4Runner, T100 and Truck Relay Rod) will be conducted. There are approximately 600,000 non-completed vehicles. Overall, the campaign has achieved an approx. 37% completion rate (approx. 59% when accounting for scrapped vehicles).
- Mailing Schedule: Region 8/07/06 (mailed), Dealer 8/10/06 (mailed), Owner Notice 08/15/06 (mailing started).

SSC 7LA/70E- 2008 Warranty Guide Update for Connecticut, Pennsylvania and Rhode Island

- Toyota Campaign Launch Schedule: Region 08/10/07 (mailed), Dealer 08/15/07 (mailed), Owner 08/22/07 (Scheduled)
- Lexus Campaign Launch Schedule: Area 08/15/07 (mailed), Dealer 08/17/07 (mailed), Owner 08/24/07(scheduled)

SSC (Safety Recall) 70B – Front Suspension Lower Ball Joints Safety Recall

- TMS continues to experience a national back order on the Ball Joints. The national (TMS and PD) back order quantities are currently at 7,423 (as of 08/17/07). The back order quantities decreased by 4,286 ball joint sets compared to last Friday (08/10/07).
- To-date, TMS has received approximately 325,082 (61.9% of TMS UIO) parts from TMC.
 - 9,600 parts are in-transit from NAPO-Ontario to the PDCs.
 - An additional 7,872 parts are in-transit from TMC or have just arrived at NAPO-Ontario.
 - 281,063 completion claims have been received. This represents an approximate 53.5% completion rate.

Pre-Delivery Correction (Port Modification) Activity

2007 Model Year 2WD Hilux Propeller Shaft Casting

- 152 Hilux vehicles (2WD only), built in Argentina for the Mexico market, may have been assembled with an improperly manufactured propeller shaft. The vehicles are expected to arrive in Mexico on August 10th (67 vehicles) and August 15th (85 vehicles).
- Toyota Argentina shipped 40 propeller shafts to Mexico on 08/16/07.
- Toyota de Mexico will begin inspecting vehicles the week of 08/20/07.

Quality Compliance [AD]